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6 *Attorneys for Debtors and Reorganized*  
7 *Debtors*

8 **UNITED STATES BANKRUPTCY COURT**  
9 **NORTHERN DISTRICT OF CALIFORNIA**  
**SAN FRANCISCO DIVISION**

10 In re:

11 **PG&E CORPORATION,**

12 **- and -**

13 **PACIFIC GAS AND ELECTRIC COMPANY,**

14 **Debtors.**

- 15 ☐ Affects PG&E Corporation  
16 ☐ Affects Pacific Gas and Electric Company  
☒ Affects both Debtors

17 *\* All papers shall be filed in the Lead Case,*  
18 *No. 19-30088 (DM).*

Case No. 19-30088 (DM)  
Chapter 11  
(Lead Case)  
(Jointly Administered)

**STIPULATION CLARIFYING PLAN  
INJUNCTION (MODESTO  
IRRIGATION DISTRICT AND  
TURLOCK IRRIGATION DISTRICT)**

1 PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the  
2 “**Utility**”), as debtors and reorganized debtors (collectively, the “**Debtors**” and as reorganized  
3 pursuant to the Plan,<sup>1</sup> the “**Reorganized Debtors**”) in the above-captioned cases (the “**Chapter**  
4 **11 Cases**”), on the one hand, and Modesto Irrigation District (“**MID**”) and Turlock Irrigation  
5 District (“**TID**,” together with MID, the “**Districts**”), on the other hand (collectively, the  
6 “**Parties**”), by and through their respective counsel, hereby stipulate and agree as follows:

7 **RECITALS**

8 A. On January 29, 2019 (the “**Petition Date**”), the Debtors commenced these Chapter  
9 11 Cases in the United States Bankruptcy Court for the Northern District of California (the  
10 “**Bankruptcy Court**”). The Chapter 11 Cases are being jointly administered for procedural  
11 purposes only pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure.

12 B. On March 18, 2015, the Districts filed a complaint (the “**Complaint**”) before the  
13 Federal Energy Regulatory Commission (“**FERC**”), pursuant to the Federal Power Act sections  
14 202, 206, 306, and 309, alleging that the Utility breached section 9.11 of certain Interconnection  
15 Agreements. The proceeding initiated by the Complaint is currently pending before the FERC  
16 under Docket No. EL15-55-003 and is titled *Modesto Irrigation District and Turlock Irrigation*  
17 *District v. Pacific Gas and Electric Company* (the “**FERC Proceeding**”). PG&E reserves all  
18 rights to file any applicable objection to the Complaint.

19 C. On October 18, 2019, MID filed Proof of Claim No. 65975 (the “**MID Proof of**  
20 **Claim**”) in the amount of \$3,450,000 (exclusive of interest and other “**Costs**”), and TID filed  
21 Proof of Claim No. 66719 (the “**TID Proof of Claim**,” and, together with the TID Proof of Claim,  
22 the “**Proofs of Claim**”) in the amount of \$2,215,000 (exclusive of interest and other “**Costs**”), all  
23 on account of the claims asserted in the Complaint.

24  
25  
26 <sup>1</sup> Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in  
27 the *Debtors’ and Shareholder Proponents’ Joint Chapter 11 Plan of Reorganization Dated June*  
28 *19, 2020* (as may be further modified, amended or supplemented from time to time, and together  
with any exhibits or schedules thereto, the “**Plan**”).

1 D. By Order dated June 20, 2020 [Dkt. No. 8053] (the “**Confirmation Order**”), the  
2 Bankruptcy Court confirmed the Plan. The Effective Date of the Plan occurred on July 1, 2020. *See*  
3 Dkt. No. 8252.

4 E. Sections 10.5 and 10.6 of the Plan and Paragraphs 51 and 52 of the Confirmation  
5 Order establish the “**Plan Injunction**,” which supersedes the automatic stay in most respects and  
6 expressly prohibits, “[e]xcept as otherwise provided in the Plan . . .,” (1) commencing, conducting,  
7 or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind  
8 with respect to any pre-petition claims against the Debtors or Reorganized Debtors, and (2) any  
9 effort to enforce, collect or recover on any judgment based on any pre-petition claims. Section  
10 10.13(d) of the Plan provides that “nothing herein, including Sections 10.8 and 10.9 hereof, shall . . .  
11 enjoin, or otherwise bar . . . (d) any police or regulatory action by a Governmental Unit (except with  
12 respect to any monetary amount related to any matter arising prior to the Petition Date).”

13 F. The Districts acknowledge that the claims that are the subject of the Proofs of Claim  
14 are: (i) pre-petition claims that are disputed and unliquidated; and (ii) once liquidated, recoverable  
15 solely as General Unsecured Claims in accordance with the Plan and through the claims  
16 reconciliation process in these Chapter 11 Cases.

17 **NOW, THEREFORE, UPON THE FOREGOING RECITALS, WHICH ARE**  
18 **INCORPORATED AS THOUGH FULLY SET FORTH HEREIN, IT HEREBY IS**  
19 **STIPULATED AND AGREED, BY AND BETWEEN THE PARTIES, THROUGH THE**  
**UNDERSIGNED, AND THE PARTIES JOINTLY REQUEST THE BANKRUPTCY COURT**  
**TO ORDER, THAT:**

20 1. Upon the date of the entry of an order approving this Stipulation, the Plan Injunction  
21 is clarified, to the extent necessary, solely to permit the Districts to liquidate the claims asserted in  
22 the Proofs of Claim by prosecuting the FERC Proceeding through final judgment and any appeals  
23 thereof, but not to permit enforcement of such part of any such judgment as may have been incurred  
24 by the Utility prior to the Petition Date, which part of such judgment, if any, shall be recoverable  
25 solely as a General Unsecured Claim in accordance with the Plan and through the claims  
26 reconciliation process in these Chapter 11 Cases.

27 2. Upon the date of the entry of an order approving this Stipulation, this Stipulation shall  
28 be deemed an objection by the Reorganized Debtors to each of the Proofs of Claim, and each Proof

1 of Claim shall be considered a Disputed Claim. Each Proof of Claim shall be deemed an Allowed  
2 Claim on the earlier of (a) the date on which the Proof of Claim becomes an Allowed Claim pursuant  
3 to written agreement between the respective claimant and the Reorganized Debtors, or (b) sixty (60)  
4 days after any Party files notice in the Bankruptcy Court that a final order liquidating the underlying  
5 claim has been entered in the FERC Proceeding and all appeals from such final order have been  
6 concluded or the time to appeal has expired, provided that if, as permitted by paragraph 3(a) hereof,  
7 the Reorganized Debtors object to the respective Proof of Claim for any portion of the underlying  
8 claim that has not been resolved by a final judgment in the FERC Proceeding or on any grounds not  
9 decided by the FERC and not precluded by the Bankruptcy Court, and the Proof of Claim shall  
10 remain Disputed and shall not be Allowed without further Order of the Bankruptcy Court.

11 3. Nothing herein is intended, nor shall it be construed, to be:

- 12 a. a waiver by the Reorganized Debtors or any other party in interest, of any  
13 right to object to the Proofs of Claim for any portion of the underlying claims  
14 that has not been resolved by a final judgment in the FERC Proceeding or on  
15 any grounds not precluded by a final order in the FERC Proceeding or by  
16 judgment of the Bankruptcy Court, or
- 17 b. a waiver by either of the Districts of its rights to oppose any asserted  
18 challenge to its respective Proof of Claim, or
- 19 c. a waiver by any Party of any claim or defense in the FERC Proceeding, or
- 20 d. a waiver by the Districts or either of them of any right to (i) relief in the FERC  
21 Proceeding related to post-petition acts or failures to act of the Utility, or (ii)  
22 non-monetary relief granted in or in connection with the FERC Proceeding  
23 with respect to pre-petition or post-petition acts or failures to act of the Utility  
24 as to any matter at issue in the FERC Proceeding.

25 4. In the event that the terms of this Stipulation are not approved by the Bankruptcy  
26 Court, it shall be null and void and have no force or effect, and the Parties agree that, in such  
27 circumstances, this Stipulation (including statements in the Recitals) shall be of no evidentiary value  
28 whatsoever in any proceedings.

1           5.       This Stipulation shall be binding on the Parties and each of their successors in  
2 interest.

3           6.       This Stipulation shall constitute the entire agreement and understanding of the Parties  
4 relating to the subject matter hereof and supersedes all prior agreements and understandings relating  
5 to the subject matter hereof.

6           7.       This Stipulation may be executed in counterparts, each of which shall be deemed an  
7 original but all of which together shall constitute one and the same agreement.

8           8.       The Bankruptcy Court shall retain jurisdiction to resolve any disputes or  
9 controversies arising from this Stipulation or any Order approving the terms of this Stipulation.

11       Dated: March 2, 2022

12       KELLER BENVENUTTI KIM LLP

14       /s/ Jane Kim

Jane Kim

15       *Attorneys for Debtors*  
16       *and Reorganized Debtors*

Dated: March 1, 2022

DUNCAN, WEINBERG, GENZER &  
PEMBROKE, P.C.

14       /s/ Sean M. Neal

Sean M. Neal

*Attorneys for Modesto Irrigation District*

Dated: March 1, 2022

DUNCAN & ALLEN LLP

19       /s/ Jon R. Stickman

20       Jon R. Stickman

*Attorneys for Turlock Irrigation District*